

IN THE CIRCUIT COURT OF DAVIDSON COUNTY, TENNESSEE
FOR THE TWENTIETH JUDICIAL DISTRICT AT NASHVILLE, TENNESSEE

STATE OF TENNESSEE,)	
)	
Plaintiff,)	
)	
v.)	
)	
Ira Smolev, individually, Triad Discount)	
Buying Service, Inc., Member Service of)	
America, L.L.C., Orchid Associates, L.L.C.,)	
Premier Membership Services, L.L.C.,)	No. _____
doing business as Best Price USA and)	
Discounts USA, Inter*Act Travel, Inc.,)	
Inter*Act Communications, Inc.,)	
Consumer Data Depot, L.L.C.,)	
Erevenue Partners, L.L.C., Far Services,)	
L.L.C., Linden Investments, L.L.C.,)	
Lynstrom Information Service, L.L.C.,)	
Premier Club Services, L.L.C., Premier)	
Marketing Services of America, L.L.C.,)	
Residents Resource Network, L.L.C.,)	
Revenue Solutions, L.L.C., Spanish)	
River Investors, L.L.C., The Backend)	
Company of America, Inc., The Shoppers)	
Edge, L.L.C., Triad Marketing Group, Inc,)	
and Tritell of Nevada, L.L.C.)	
)	
Defendants.)	

STIPULATED FINAL JUDGMENT AND ORDER FOR PERMANENT INJUNCTION
AND MONETARY SETTLEMENT

AS TO DEFENDANTS Ira Smolev, individually, Triad Discount Buying Service, Inc., Member Service of America, L.L.C., Orchid Associates, L.L.C., Premier Membership Services, L.L.C., doing business as Best Price USA and Discounts USA, Inter*Act Travel, Inc., Inter*Act Communications, Inc., Consumer Data Depot, L.L.C., Erevenue Partners, L.L.C., Far Services, L.L.C., Linden Investments, LLC, Lynstrom Information Service, L.L.C., Premier Club Services, L.L.C., Premier Marketing Services of America, L.L.C., Residents Resource Network, L.L.C., Revenue Solutions, L.L.C., Spanish River Investors, LLC, The Backend Company of America, Inc., The Shoppers Edge, L.L.C., Triad Marketing Group, Inc, and Tritell of Nevada, L.L.C., Plaintiff, the State of Tennessee by and through, Paul G Summers, the Attorney General and Reporter ("Plaintiff"), has filed its complaint for permanent injunction

and other relief pursuant to and alleging violations of the Tennessee Consumer Protection Act of 1977, §§ 47-18-101, *et seq.*

Plaintiff and Defendants, Ira Smolev, individually, Triad Discount Buying Service, Inc., Member Service of America, L.L.C., Orchid Associates, L.L.C., Premier Membership Services, L.L.C., doing business as Best Price USA and Discounts USA, Inter*Act Travel, Inc., Inter*Act Communications, Inc., Consumer Data Depot, L.L.C., Evenue Partners, L.L.C., Far Services, L.L.C., Linden Investments, L.L.C., Lynstrom Information Service, L.L.C., Premier Club Services, L.L.C., Premier Marketing Services of America, L.L.C., Residents Resource Network, L.L.C., Revenue Solutions, L.L.C., Spanish River Investors, L.L.C., The Backend Company of America, Inc., The Shoppers Edge, L.L.C., Triad Marketing Group, Inc, and Tritell of Nevada, L.L.C., have agreed to the entry of this Stipulated Final Judgment and Order for Permanent Injunction and Monetary Settlement ("Order") by this Court to resolve all matters of dispute between them in this action. Defendants Triad Discount Buying Service, Inc., Member Service of America, L.L.C., Orchid Associates, L.L.C., and Premier Membership Services, L.L.C., on September 29, 2000, filed for reorganization under Chapter 11 of the Bankruptcy Code, and on June 29, 2001, filed their First Amended Joint Chapter 11 Plan and, on August 7, 2001, filed their Second Amended Joint Chapter 11 Plan, and on August 22, 2001 filed their Third Amended Joint Chapter 11 Plan ("Plan") with the United States Bankruptcy Court, Southern District of Florida, West Palm Beach Division ("Bankruptcy Court"), Case Nos. 00-35053-BKC-SHF through 00-35056-BKC-SHF.

NOW, THEREFORE, Plaintiff and Defendants having requested the Court to enter this Order,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

FINDINGS

1. This Court has jurisdiction of the subject matter of this case and of the parties consenting hereto.
2. Venue is proper as to all parties in the Circuit Court of Davidson County, State of Tennessee.
3. The Complaint states a claim upon which relief may be granted against Defendants under Tennessee Consumer Protection Act of 1977, § 47-18-101, *et seq.*
4. Defendants have, by signature of their counsel hereto, waived any right to appeal, petition for certiorari, move to reargue or rehear or be heard in connection with any judicial proceedings upon this Judgment and Order.

5. Entry of this Order is in the public interest.
6. This Judgment constitutes the complete agreement of the parties with regard to the resolution of the matters set forth in the State's Complaint. This Judgment is limited to resolving only the matters set forth in the State's Complaint.
7. Defendants agree to pay all court costs and attorney's fees and any costs associated with any successful petitions to enforce any provision of this Order against Defendants.
8. Pursuant to Tenn. Code Ann. § 47-18-109 and § 47-18-108(e), nothing in this Judgment shall be construed to affect any private right of action that a consumer or any other person may hold against Defendants.
9. Acceptance of this Judgment by the State shall not be deemed approval by the State of any of Defendants' advertising or other business practices.
10. Pursuant to Tenn. Code Ann. § 47-18-108(c), any knowing violation of the terms of the court approved Consent Judgment shall be punishable by civil penalties of not more than Two Thousand Dollars (\$2,000.00) recoverable by the State for each violation, in addition to any other appropriate relief.
11. All costs associated with the filing and distribution of the Complaint and this Consent Judgment and any other incidental costs or expenses incurred thereby shall be borne by Defendants. No costs shall be taxed against the State as provided by Tenn. Code Ann. § 47-18-116. Costs shall be taxed to Defendants.

DEFINITIONS

1. "Defendants" means, unless otherwise specified, Triad Discount Buying Service, Inc., Member Service of America, L.L.C., Orchid Associates, L.L.C., Premier Membership Services, L.L.C., doing business as Best Price USA and Discounts USA, Inter*Act Travel, Inc., Inter*Act Communications, Inc., Consumer Data Depot, L.L.C., Evenue Partners, L.L.C., Far Services, L.L.C., Linden Investments, L.L.C., Lynstrom Information Service, L.L.C., Premier Club Services, L.L.C., Premier Marketing Services of America, L.L.C., Residents Resource Network, L.L.C., Revenue Solutions, L.L.C., Spanish River Investors, L.L.C., The Backend Company of America, Inc., The Shoppers Edge, L.L.C., Triad Marketing Group, Inc, and Tritell of Nevada,

L.L.C., and their successors and assigns, and Ira Smolev. The persons or entities identified in this paragraph are within the definition of "Defendants" whether or not they are actually named as defendants in the complaint [or petition] herein. "Defendants" as used in this document does not include other persons or entities who have been named as defendants in the complaint [or petition] herein who are not listed in this paragraph.

2. "Corporate Defendants" means all Defendants, except Defendant Ira Smolev.
3. "Debtor Defendants" means Triad Discount Buying Service, Inc., Member Service of America, L.L.C., Orchid Associates, L.L.C., and Premier Membership Services, L.L.C., and their successors and assigns.
4. "Nondebtor Corporate Defendants" means all Corporate Defendants, except Debtor Defendants.
5. "Assisting others" means knowingly providing any of the following services to any person or entity:
 - (a) performing customer service functions for any person or entity, including, but not limited to, receiving or responding to consumer complaints;
 - (b) formulating or providing, or arranging for the formulation or provision of, any telephone sales script or any other marketing material for any person or entity;
 - (c) performing marketing services of any kind for any person or entity, or
 - (d) providing credit card merchant processing accounts, or otherwise providing access to a billing and collection system, such as a credit card, checking, savings, share or similar account, utility bill, telephone bill, mortgage loan account or debit card.
6. "Billing information" means any data that describes, constitutes or provides access to a billing and collection system, such as a credit card, checking, savings, share or similar account, utility bill, telephone bill, mortgage loan account or debit card.
7. "Charge" means any amount charged or debited to a consumer's credit card, checking, savings, share or similar account, utility bill, telephone bill, mortgage loan account or debit card, or any similar form of collecting money from a consumer.
8. With respect to advertisements and promotional and marketing materials, "clear(ly) and conspicuous(ly)" means:
 - a. In an advertisement communicated through an electronic medium (such as television, video, radio, and interactive electronic media such as software, the Internet and online services), the disclosure must be presented simultaneously in both the audio and

visual portions of the advertisement; provided, however, that in any advertisement presented solely through visual or audio means, the disclosure may be made through the same means in which the advertisement is presented; provided further, that in any advertisement disseminated by means of an interactive electronic medium such as software, the Internet, or online services, a disclosure made through the use of a hyperlink will not be deemed "clear and conspicuous" unless the hyperlink itself is clear and conspicuous, is clearly identified as a hyperlink, is labeled to convey the nature and relevance of the information it leads to, is on the same Web page, online service page, or other electronic page and proximate to the triggering representation, and takes the consumer directly to the disclosure on the click-through electronic page or other display window or panel. The audio disclosure must be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it. The visual disclosure must be of a size and shade, and shall appear on the screen for a duration, sufficient for an ordinary consumer to read and comprehend it; and

- b. In a print advertisement or any print promotional or marketing material, the disclosure shall be in a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend it, and in print that contrasts with the background against which it appears.

The disclosure must be in understandable language and syntax. Nothing contrary to, inconsistent with, or in mitigation of the disclosure shall be used in any advertisement, promotional or marketing material.

- 9. "Membership service" means any arrangement whereby persons who purportedly agree to the arrangement (often called "members") receive specified benefits over a period of time, including but not limited to, travel benefits, health benefits, home protection, credit card protection, legal services and discounts on goods and services.
- 10. An offer or agreement with a "negative option" feature means an offer or agreement to sell or provide any goods or services under which (a) a consumer must take an affirmative action to reject goods or services or cancel the agreement, and (b) the consumer's silence or failure to reject goods or services or to cancel the agreement is interpreted by the seller or provider as acceptance or continuing acceptance of the goods or services. Agreements with negative option features include,

but are not limited to, agreements in which the consumer, subsequent to agreeing to the offer, will automatically be billed or charged at the end of a trial period (whether or not there is a fee for the trial period) unless the consumer cancels, and continuity plans in which, subsequent to the consumer's agreement to the plan, the seller or provider automatically ships goods or services to a consumer unless the consumer notifies the seller or provider within a certain time not to ship the goods or services.

11. A "partner" of Defendants means any third party that contracts with any of the Defendants to provide telemarketing or other marketing services in connection with any transaction wherein any of the Defendants provide, offer to provide or arrange for others to provide goods or services to consumers in exchange for consideration.
12. "Renewal" means an extension beyond the original term of a membership, subscription or agreement for goods or services that are offered on a periodic basis.
13. The "Synchronal Order" means the Federal Trade Commission's Order issued in *Synchronal Corp.*, 116 F.T.C. 989, 1033 (1993).
14. "Telemarketing" means any business activity (which includes, but is not limited to, initiating or receiving telephone calls, managing others who initiate or receive telephone calls, operating an enterprise that initiates or receives telephone calls, owning an enterprise that initiates or receives telephone calls, or otherwise participating as an officer, director, employee or independent contractor in an enterprise that initiates or receives telephone calls) that involves attempts to induce consumers to purchase any item, good, service, partnership interest, trust interest or other beneficial interest, or to enter a contest for a prize, by means of telephone sales presentations, either exclusively or in conjunction with the use of other forms of marketing; provided that the term "telemarketing" does not include transactions that are not completed until after a face-to-face contact between the seller or solicitor and the consumers solicited; provided further, that for the purposes of Part III of this Order, the definition of telemarketing will be consistent with 16 C.F.R. § 310.2.
15. "Third party" means (a) any entity that is not owned or controlled by Defendants, and (b) any person who is not acting in his or her capacity as an officer or employee of Defendants or any entity owned or controlled by Defendants.

I.

ESCROW ACCOUNT

IT IS FURTHER ORDERED

that:

- A. Defendant Ira Smolev, whether directly, in concert with others, or through any business entity or other device, is hereby permanently restrained and enjoined from engaging or participating in
1. Advertising, promoting, offering for sale, selling or distributing to the general public any goods or services;
 2. Engaging or participating in the business of telemarketing; and
 3. Assisting others engaging or participating in the business of telemarketing, unless he complies with the requirements for establishing an Escrow Account in the Stipulated Final Judgment and Order for Permanent Injunction and Monetary Settlement entered into between Defendants and the Federal Trade Commission, a copy of which is attached hereto as Appendix A.

II.

PERMANENT INJUNCTION

IT IS FURTHER ORDERED that Defendants, and their officers, agents, employees, and attorneys, and all those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, or other device, are hereby permanently restrained and enjoined from making, or causing or assisting others to make, expressly or by implication, any false or misleading representation in connection with the advertising, promoting, marketing, offering for sale, sale, or distribution of any goods or services in or affecting commerce, including but not limited to:

- A. Falsely representing, through, *inter alia*, mailings, email, billings, video or television, credit card charges and checking account debits, that a consumer purchased or agreed to purchase goods or services, or that a transaction has been authorized by a consumer;

- B. Falsely representing (1) the amount that a consumer will be charged or billed for any goods or services, (2) that a consumer will not be charged or billed for any goods or services, (3) the timing or manner of any charge or bill, or (4) that a consumer will not be charged or billed without the consumer's authorization;
- C. Making any representation that a consumer will receive a trial membership, or that any information kit, good or service is offered "free," "risk-free," with "no obligation," or words of similar import denoting or implying the absence of any obligation on the part of the recipient of such offer to pay for the information kit, good or service or to take affirmative action to avoid incurring payment obligations, without disclosing clearly and conspicuously, and in close proximity to such representation, prior to requesting the consumer's authorization to be charged or billed for the offered trial membership, information kit, good or service, or any other goods or services:
1. Any obligation of the consumer associated with accepting the offered trial membership, information kit, good or service (including, but not limited to, payment of shipping and handling fees, the obligation to purchase other goods or services, the obligation to accept a trial membership or trial period, and the obligation to cancel or take other affirmative action to avoid incurring payment obligations and the manner in which such a cancellation request may be submitted);
 2. The amount and number of payments (if more than one) that will or may be required, and the circumstances under which additional payments may be required; and
 3. All conditions, limitations and restrictions on the ability of the consumer to use the offered trial membership, information kit, good or service; and
- D. Making any representation that a consumer who accepts an offer for goods or services will receive an additional good or service for "free" or with "no obligation," or as discounted or reduced in price, or words of similar import, without disclosing clearly and conspicuously, and in close proximity to such representation, prior to requesting the consumer's authorization to be charged or billed for the goods or services with which the

purportedly free or discounted good or service is offered, all conditions, limitations and restrictions on the ability of the consumer to use any such purportedly free or discounted good or service.

III.

VIOLATIONS OF TELEMARKETING SALES RULE

IT IS FURTHER ORDERED that Defendants, and their officers, agents, employees, and attorneys, and all those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, or other device, are hereby permanently restrained and enjoined from violating any provision of the Telemarketing Sales Rule, 16 C.F.R. Part 310, as in effect now or as it may be amended.

IV.

PROHIBITED FAILURES TO DISCLOSE

IT IS FURTHER ORDERED that Defendants, and their officers, agents, employees, and attorneys, and all those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, or other device, in connection with the advertising, promoting, marketing, offering for sale, sale, or distribution of any goods or services, are hereby permanently restrained and enjoined from failing to disclose, clearly and conspicuously, before obtaining the consumer's express authorization to bill or charge the consumer for any such goods or services, all material terms and conditions for the purchase of any such goods or services, including but not limited to:

- A. That a purpose of the solicitation is to sell goods or services;
- B. The fact, if true, that a good or service is offered on behalf of a seller that is a separate entity from the seller doing the telemarketing, and, if so, the name of the separate seller and the entity to which payment will be made;
- C. The number of payments (if more than one), the date(s) or time period(s) at which the payment(s) will be required or charged, the amount of the payment(s), and the total cost;
- D. The fact, if true, that the billing information the seller already possesses, either because the

consumer previously provided it to the seller, or the seller obtained it from another source, will be used to bill or charge the consumer;

- E. The terms of the seller's refund, cancellation, exchange, or repurchase policies;
- F. If the consumer will be automatically billed at the end of a trial period unless the consumer cancels: this fact; the length of the trial period; the manner in which a cancellation request may be submitted; the date or time period by which a cancellation request must be received; and either a telephone number or address to which a cancellation request may be directed or the fact that such information will be included in written materials provided to the consumer within a reasonable period prior to the date by which a cancellation request must be received (and Defendants will include in such written materials the telephone number or address to which cancellation requests may be directed, as well as the applicable refund and cancellation policies);
- G. If the seller automatically ships goods to a consumer or automatically renews a membership, subscription or agreement for goods or services that is offered on a periodic basis, unless the consumer notifies the seller within a certain time not to ship or renew: this fact; the manner in which a notice not to ship or renew may be submitted; the date or time period by which a notice not to ship or renew must be received to avoid shipment or renewal; and either a telephone number or address to which such a notice may be directed or the fact, if true, that such information will be included in written materials provided to the consumer within a reasonable period prior to the date by which such a notice must be received;

provided that, if Defendants obtain a consumer's billing information to purchase any goods or services and then further solicit the purchase of other goods or services, Defendants must affirmatively disclose all material terms and conditions for the purchase of each additional good or service, including but not limited to those set forth in this Part, before obtaining the consumer's express authorization to bill or charge the consumer for such additional good or service; and provided further, that, in connection with the advertising, promoting, marketing, offering for sale, sale, or distribution of any goods or services pursuant to an offer or agreement with a negative option feature, Defendants, prior to billing or charging the consumer for such goods or services, must provide the consumer with a document disclosing, clearly and conspicuously, all

material terms and conditions of the sale, including but not limited to those set forth in this Part.

V.

EXPRESS VERIFIABLE AUTHORIZATION FOR SALES

IT IS FURTHER ORDERED that Defendants, and their officers, agents, employees, and attorneys, and all those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, or other device, in connection with the advertising, promoting, marketing, offering for sale, sale, or distribution of any goods or services, are hereby permanently restrained and enjoined from submitting billing information for payment, transferring billing information to a third party, or collecting or attempting to collect payment for goods or services, directly or indirectly, without the consumer's express verifiable authorization as follows:

- A. Such express verifiable authorization must clearly evidence the consumer's name, the consumer's express authorization to purchase the goods or services and of the amount and manner of the billing or payment for such goods and service, and the date of the consumer's express authorization, and that all of the following information has been disclosed to the consumer, clearly and conspicuously, and in close proximity to, the consumer's express authorization:
 - 1. The amount and manner of the billing or payment for such goods or services, including but not limited to, the disclosures set forth in Subparts C and D of Part IV of this Order, prior to the consumer's express authorization (*e.g.*, during the express automated electronic authorization referenced in Subpart B.4 of this Part, such disclosures must be made prior to the time the consumer inputs the personal identification number);
 - 2. All of the disclosures set forth in Subparts A, B, E, F and G of Part IV of this Order, prior to the consumer's express authorization, provided, however, for purposes of this Subpart, the express verifiable authorization may evidence, if true, that such disclosures have previously been disclosed to the consumer, clearly and conspicuously, in a print advertisement or print promotional or marketing material;

3. To the extent not already disclosed pursuant to Subpart A.1 of this Part, the consumer's specific billing information, including the name of the account and the account number, that will be used to collect payment for the goods or services that are the subject of the sales offer; and
4. A telephone number for consumer inquiry that is answered during normal business hours;
5. If defendants are seeking authorization to charge a credit or debit card and the defendants have the credit or debit card number at the time they are requesting the authorization, defendants must use the following language or substantially similar language:

[After initial introduction] "You have provided us with a credit card to pay for the [what it was provided to pay for]. We also will charge the \$_____ annual fee [or other applicable amount, including all shipping and handling or other fees, unless the dollar amount of such fees is separately authorized in the same conversation as in paragraph 1 above] for the [product or service or club membership] to that credit card if you do not call to cancel the service within ____ days of ____ [when the day count begins]. Is it OK for me to put that charge on your card unless you cancel?"

This Subpart V.A.5 does not apply to Renewals as referenced in Part VIII.

B. For the sale of any goods or services by means of telemarketing, the consumer's express authorization will be deemed verifiable only if one of the following means is employed:

1. Express written authorization by the consumer, which includes the consumer's signature (the term "signature" includes a verifiable electronic or digital form of signature, to the extent such form of signature is recognized as a valid signature under applicable federal law or state contract law);
2. Express oral authorization that is verified by an independent third party verifier ("TPV") that meets the requirements of Part VI of this Order;
3. Express oral authorization that is tape recorded, and meets the following criteria:

- a. For telemarketing conducted by Defendants and any entities owned or controlled, in whole or in part, directly or indirectly, or managed, by Defendants, and their officers, agents, and employees, the tape recording must include the entire telephone call during which the consumer gave oral authorization;
 - b. For telemarketing conducted by Defendants' partners, the tape recording must include the entire portion of the telephone call that relates to the goods and services that are the subject of Defendants' sales offer and during which the consumer gave oral authorization; and
 - c. A copy of the tape recording is provided upon request to the consumer, the consumer's bank, credit card company or other billing entity, state attorney general or consumer protection agency or the Federal Trade Commission; and
4. Express automated electronic authorization in which the consumer provides the authorization by calling a toll-free telephone number used exclusively for such authorizations and by inputting a personal identification number that has been mailed to the consumer at the consumer's home address.

VI.

THIRD PARTY VERIFICATION

IT IS FURTHER ORDERED that if Defendants choose to use Third Party Verification to obtain express verifiable authorization, as described in Part V. B.2 above, Defendants shall comply with the requirements for Third Party Verification in the Stipulated Final Judgment and Order for Permanent Injunction and Monetary Settlement entered into between defendants and the Federal Trade Commission, a copy of which is attached hereto as Appendix A.

VII.

LIMITATION ON DISSEMINATING OR OBTAINING CONSUMER'S INFORMATION

IT IS FURTHER ORDERED that Defendants, and their officers, agents, employees, and attorneys, and all those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, or other device, are permanently restrained and enjoined from:

A. Providing or disclosing to any third party, whether or not in exchange for payment or other consideration, any of the following information relating to a consumer:

1. Billing information;
2. Unique identifying information, such as social security number, date of birth, place of birth and mother's maiden name;
3. Credit information;
4. Income information; and
5. Asset and liability information;

provided, however, that this Subpart A will not apply to the disclosure by Defendants, or any entity managed or controlled in whole or in part, directly or indirectly, by Defendants, of consumer information: (1) necessary to effectuate or administer a transaction for which Defendants have obtained the consumer's express verifiable authorization; (2) pursuant to Section 623 of the Fair Credit Reporting Act ("FCRA"), 15 U.S.C. § 1681s-2, to a "consumer reporting agency" as defined by Section 603(f) of the FCRA, 15 U.S.C. § 1681a(f); or (3) to a law enforcement agency either voluntarily, or as required by any law, regulation, or court order; and

B. Entering into any agreement or arrangement pursuant to which any third party provides or discloses to Defendants, whether or not in exchange for payment or other consideration, any of the following information relating to a consumer:

1. Billing information;
2. Unique identifying information, such as social security number, date of birth, place of birth and mother's maiden name;

3. Credit information;
4. Income information; and
5. Asset and liability information;

unless Defendants have taken steps adequate to ensure that: (1) such third party has clearly and conspicuously disclosed to such consumer what information the third party proposes to provide or disclose, the intended use of the information, and that the third party proposes to provide or disclose the information to Defendants; and (2) the consumer has expressly authorized the third party to provide or disclose such information to Defendants; provided, however, that this Subpart B will not apply to any agreement or arrangement pursuant to which a bona fide "consumer report" is provided by a "consumer reporting agency" (as those terms are defined in Sections 603(d) and 603(f) the FCRA, 15 U.S.C. §§ 1681a(d) and (f), respectively) to Defendants pursuant to the permissible purposes requirements of Section 604 of the FCRA, 15 U.S.C. § 1681b.

VIII.

PROHIBITION ON RENEWALS OF CURRENT OR PAST MEMBERSHIPS

AND CONDITIONS ON RENEWALS OF FUTURE MEMBERSHIPS

IT IS FURTHER ORDERED that Defendants, and their officers, agents, employees, and attorneys, and all those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, or other device, are hereby permanently restrained and enjoined from causing any charges to be made or any payments to be billed to a consumer, or causing collection of, or attempts to collect, payment, directly or indirectly, from a consumer, for any renewal of any membership services offered or provided to consumers by any of Defendants or by any entity owned or controlled directly or indirectly by Defendant Ira Smolev, where the consumer's purported authorization of the membership occurred prior to the effective date of this Order, without first obtaining from the consumer, within sixty (60) days prior to the date on which the consumer is charged or billed for such renewal, express verifiable authorization of such renewal that complies with the requirements of Part V.A.1 through V.A.4 and Part V.B of this Order.

In addition, even if there is express verifiable authorization for automatic renewals, in the case of renewal periods that are one year or longer, Defendants shall not impose a charge on the credit or debit card of a consumer for a membership renewal without a notice to the consumer of the automatic renewal in one of the following manners: Between 45 and 75 days prior to the date on which Defendants intend to renew a consumer, Defendants shall send to such consumer either (i) renewal membership enrollment materials which shall include a letter ("Renewal Letter"), or

(ii) a 5 inch by 8 inch postcard. The Renewal Letter or postcard shall be sent by a delivery mechanism that includes address forwarding. The front of the postcard or of the envelope containing the Renewal Letter shall contain only the names of Defendant(s), the name of the club or service or product, a return address, the name and address of the consumer, and the following statement in 14 point bold capital letters:

"NOTICE OF CHARGE FOR MEMBERSHIP RENEWAL." Above the consumer's name, Defendants shall print the following statement in at least 12 point, bold and capital type: "RESPOND BEFORE [00/00/00]," with a date on or within 30 days before the date of automatic renewal inserted in this phrase.

The reverse side of the card or the top of the first written portion of the first page of the Renewal Letter shall be entitled, in at least 12 point bold, capital letters: "CREDIT/DEBIT CARD CHARGE FOR MEMBERSHIP RENEWAL." The entire right half of the reverse side of the card or the bottom half and any subsequent pages of the Renewal Letter are available to Defendants, except that Defendants shall not make any direct or implied representation that is likely to deceive or confuse consumers as to the terms of automatic renewal. The entire left half of the reverse side of the card or the top half of the first page of the Renewal Letter shall appear as follows:

If You Take No Action, Your Credit Card Will Be Charged To Renew Your [Name of Company] Membership

You have the following choices as to renewal of your [name of membership club program or service]:

1. Renew Your Membership. Do nothing and your membership will be automatically renewed for one year [or other period if applicable] and \$_____ will be charged to your credit card.

2. Non-renewal of Your Membership. In order to not renew your membership, and to avoid a credit card charge of \$_____, you must call [Name of company] at [toll free number] before the date on the front of this card [OR on the envelope containing this letter].

Defendants further agree to honor any request made by a consumer to cancel or reverse any membership renewal within 30 days of the consumer receiving a bill for the renewal.

IX.

MONETARY RELIEF FOR CONSUMERS

IT IS FURTHER ORDERED that Defendants comply with the requirements for Monetary Relief for consumers in the Stipulated Final Judgment and Order for Permanent Injunction and Monetary Settlement entered into between defendants and the Federal Trade Commission, a copy of which is attached hereto as Appendix A.

X.

THIRD PARTY MONITORING

IT IS FURTHER ORDERED that Defendants comply with the requirements for Third Party Monitoring in the Stipulated Final Judgment and Order for Permanent Injunction and Monetary Settlement entered into between defendants and the Federal Trade Commission, a copy of which is attached hereto as Appendix A.

XI.

RIGHT TO REOPEN

IT IS FURTHER ORDERED that:

- A. The Plaintiff's agreement to this Order is expressly premised on the truthfulness, accuracy and completeness of the financial statements submitted to the Federal Trade Commission on January 24, 2001, and April 25, 2001, by Defendants. If, upon motion, this Court finds that in their sworn financial statements, Defendants have made a material misrepresentation or omission understating their net worth, then the Court will enter a modified judgment for consumer redress considering the difference between the declared and actual net worth and also considering modifications made by other courts, unless the federal court entering the Stipulated Final Judgment and Order for Permanent Injunction and Monetary Settlement entered into between defendants and the Federal Trade Commission enters a

modified judgment for consumer redress for the difference between the declared and actual net worth; provided, however, that in all other respects this Order will remain in full force and effect unless otherwise ordered by the Court; provided further, for purposes of this Subpart A, Defendants waive any right to contest any of the allegations in the Complaint; and

- B. If the Bankruptcy Court enters an order dismissing Debtor Defendants' Case Nos. 00-35053-BKC-SHF through 00-35056-BKC-SHF, or converting Debtor Defendants' reorganization cases under Chapter 11 to liquidation cases under Chapter 7 or Chapter 11 of the Bankruptcy Code, or if the Plan is not confirmed, then the Plaintiff may move to reopen Part IX [Monetary Relief] and Part XX.A [Payment to States], of this Order, and the remaining provisions of this Order shall remain in full force and effect;

provided further, that proceedings instituted under Subparts A or B of this Part would be in addition to, and not in lieu of, any other legal or equitable remedies as may be provided by law.

XII.

ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANT IRA SMOLEV

IT IS FURTHER ORDERED that, within five (5) business days after receipt by Defendant Ira Smolev of this Order as entered by the Court, Defendant Ira Smolev must submit to the Plaintiff a truthful sworn statement, in the form shown on Appendix B, that acknowledges receipt of this Order.

XIII.

DISTRIBUTION OF ORDER BY DEFENDANTS

IT IS FURTHER ORDERED that, for a period of ten (10) years from the date of entry of this Order, Defendants must each:

- A. Provide:
1. A copy of this Order and obtain a signed and dated acknowledgment of receipt from each officer and director;
 2. A summary of this Order, as set forth in Appendix C to, and obtain a signed and dated acknowledgment of receipt from:

- a. Each individual serving in a management capacity;
- b. All sales and marketing personnel and all personnel involved in responding to consumer complaints or inquiries, whether such persons are designated as employees, consultants, independent contractors or otherwise, of any of the Defendants or of any business entity owned or controlled, directly or indirectly, or managed, by any of the Defendants, and
- c. Each partner of any of the Defendants;

provided that each of the Defendants must deliver the copy of the Order or summary of the Order, as appropriate, to current personnel and partners within thirty (30) days after the date of entry of the Order, and to future personnel and partners within thirty (30) days after the person assumes such position or responsibilities; and

- B. Maintain for a period of three (3) years after creation, and, within fifteen (15) days of receipt of a written request, make available to representatives of Plaintiff, the original signed and dated acknowledgments of the receipt of the Order or summary or summary of the Order, as required in Subpart A of this Part.

XIV.

RECORD-KEEPING PROVISIONS

IT IS FURTHER ORDERED that, for a period of ten (10) years from the date of entry of this Order, Defendants, and their officers, agents, employees, and attorneys, and all those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, or other device, in connection with any of the businesses entities described below, are hereby restrained and enjoined from failing to create, and from failing to retain for a period of three (3) years following the date of such creation, unless otherwise specified:

- A. Books, records and accounts that, in reasonable detail, accurately and fairly reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues by such business;
- B. Each tape recording of a telemarketing call made pursuant to Part V of the Order;

- C. Records that accurately reflect the name, address, and telephone number of each person employed or retained in any capacity by such business, whether such person is designated as an employee, consultant, independent contractor or otherwise; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable;
- D. Records that accurately reflect the names, addresses, phone numbers, dollar amounts paid, quantity of goods or services purchased, and description of goods or services purchased, for all consumers to whom such business has sold, invoiced, billed, or shipped any goods or services;
- E. For every consumer complaint or refund request, whether received directly or indirectly or through any third party, records that accurately reflect:
 - 1. The consumer's name, address, telephone number and the dollar amount paid by the consumer;
 - 2. The written complaint or refund request, if any, and the date of the complaint or refund request;
 - 3. A tape recording of each complaint received by telephone;
 - 4. The basis of the complaint, including the name of any salesperson complained against, and the nature and result of any investigation conducted concerning any complaint;
 - 5. Each response and the date of the response;
 - 6. Any final resolution and the date of the resolution; and
 - 7. In the event of a denial of a refund request, the reason for the denial;
- F. Copies of all sales scripts, training materials, advertisements, or other marketing materials utilized, and records that accurately reflect the time periods during which such materials were used and the persons and business entities that used such materials; provided that these marketing materials and records must be retained for three (3) years after the last date of dissemination of any such marketing materials;
- G. For each of Defendants' credit card merchant processing accounts:
 - 1. A copy of the contract providing the account;

2. Records that accurately reflect the name, address and telephone number of the acquirer bank, and its credit card processor(s),
 3. Copies of correspondence from VISA, MasterCard, any similar entity, and any acquirer bank or credit card processor describing a finding by such entities that any of the Defendants have incurred excessive chargebacks on such account, or that any of the Defendants have engaged in any other fraud, abuse or questionable activity with respect to such account;
- H. Copies of any contracts providing any of the Defendants with access to a billing and collection system, such as a credit card, checking, savings, share or similar account, utility bill, telephone bill, mortgage loan account or debit card;
- I. For each of Defendants' partners:
1. A copy of the contract and any amendments thereto between such partner and any of the Defendants;
 2. Records that accurately reflect the name, address and telephone number of such partner;
 3. Records that accurately reflect all payments made to such partner by any of the Defendants, all payments made to any of the Defendants by such partner, the reasons for such payments, and how such payments were calculated; and
 4. Copies of any correspondence with Defendants' partners or any person or entity that relate to complaints from consumers, government entities or any other parties about the sales, billing or collection practices or any questionable activities of Defendants' partners; and
- J. For the purposes of this Part:
1. The provisions of this Part apply to the Corporate Defendants and any business entity directly or indirectly owned or controlled by any of the Corporate Defendants; and
 2. As to Defendant Ira Smolev, the provisions of this Part apply to any business entity which Defendant Ira Smolev owns or controls directly or indirectly, or manages.

XV.

COMPLIANCE REPORTING BY DEFENDANTS

IT IS FURTHER ORDERED that, in order that compliance with the provisions of this Order may be monitored:

- A. For a period of ten (10) years from the date of entry of this Order, Defendants must notify Plaintiff of the following: Any proposed change in the structure of any of the Corporate Defendants, such as dissolution, assignment, sale, merger, creation or dissolution of subsidiaries, proposed filing of a bankruptcy petition, or change in the corporate name or address, or any other change that may affect compliance obligations arising out of this Order, thirty (30) days prior to the effective date of any proposed change; provided, however, that, with respect to any proposed change in a corporation about which Defendants learn less than thirty (30) days prior to the date such action is to take place, Defendants must notify the Plaintiff as soon as is practicable after learning of such proposed change;
- B. One hundred eighty (180) days after the date of entry of this Order, Defendants must provide a written report to Plaintiff, sworn to under penalty of perjury, setting forth in detail the manner and form in which Defendants have complied and are complying with this Order. This report must include but not be limited to:
 - 1. For the Corporate Defendants, the current address(es) and telephone number(s), fax number(s), and email address(es) of each of the Corporate Defendants;
 - 2. A copy of each acknowledgment of receipt of this Order obtained by the Corporate Defendants pursuant to Part XIII of this Order;
 - 3. A statement describing the manner in which the Corporate Defendants have complied and are complying with Parts I through XIV of this Order;
 - 4. For Defendant Ira Smolev, his current employment, business address(es) and telephone number(s), fax number(s), email address(es), a description of the business activities of each such employer, and Defendant Ira Smolev's title and

responsibilities for each employer;

C. For a period of ten (10) years from the date of entry of this Order, Defendant Ira Smolev must notify Plaintiff of the following:

1. Any changes in his residence, mailing address, telephone numbers and email addresses within ten (10) days of the date of such change;
2. Any changes in his employment status (including self-employment) within ten (10) days of such change. Such notice must include the name and address of the business entity with which he is, in any manner, affiliated or employed, a statement of the nature of the business entity, and a statement of his duties and responsibilities in connection with the business entity; and
3. Any proposed change in the structure of any business entity owned or controlled, directly or indirectly, by him, such as creation, incorporation, dissolution, assignment, sale, merger, creation or dissolution of subsidiaries, proposed filing of a bankruptcy petition, or change in the corporate name or address, or any other change that may affect compliance obligations arising out of this Order, thirty (30) days prior to the effective date of any proposed change; provided, however, that, with respect to any proposed change in the business entity about which he learns less than thirty (30) days prior to the date such action is to take place, he must notify the Plaintiff as soon as is practicable after learning of such proposed change;

D. Within fifteen (15) days after receipt of a written request by a representative of Plaintiff, each of the Defendants must submit additional written reports (under oath, if requested) and produce documents with respect to any conduct subject to this Order; and

E. For the purposes of this Part:

1. "Employment" includes the performance of services as an employee, consultant, or independent contractor; and "employers" include any individual or entity for whom Defendant Ira Smolev performs services as an employee, consultant, or independent contractor; and
2. Plaintiff and its representatives, including counsel, are authorized to communicate

directly with Defendants.

XVI.

TAXPAYER IDENTIFICATION NUMBERS

IT IS FURTHER ORDERED that Defendants comply with the requirements on Taxpayer Identification Numbers the Stipulated Final Judgment and Order for Permanent Injunction and Monetary Settlement entered into between defendants and the Federal Trade Commission, a copy of which is attached hereto as Appendix A.

XVII.

PLAINTIFF'S AUTHORITY TO MONITOR COMPLIANCE

IT IS FURTHER ORDERED that Plaintiff is authorized to monitor compliance with this Order by all lawful means, including but not limited to the following means:

- A. Plaintiff, without further leave of court, to obtain discovery from any person in the manner provided the rules and statutes of the State of Tennessee, for the purpose of monitoring and investigating compliance with any provision of this Order by Defendants;
- B. Plaintiff is authorized to use representatives posing as consumers and suppliers to (1) Defendants, (2) Defendants' employees, or (3) any entity managed or controlled in whole or in part, directly or indirectly, by any of the Defendants, without the necessity of identification or prior notice; and
- C. Nothing in this Order limits Plaintiff's lawful use of compulsory process to investigate whether any of the Defendants has violated any provision of the law enforced by Plaintiff.

XVIII.

NOTIFICATIONS

IT IS FURTHER ORDERED, for the purposes of this Order, Defendants must, unless otherwise directed by Plaintiff or its representatives, mail all written notifications to Plaintiff to:

Deputy Attorney General
Office of Attorney General
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, Tennessee 37202

Re: Ira Smolev and Triad Discount Buying Service

Any notices required to be sent to the Defendants by this Order shall be sent to the addresses listed in Appendix D.

XIX.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court will retain jurisdiction of this matter for all purposes, including but not limited to, the purpose of enabling any of the parties to this Order to apply to the Court at any time for such further orders or directives as may be necessary or appropriate for the interpretation or modification of this Order, for the enforcement of compliance therewith or for the punishment of violations thereof, in accordance with applicable law.

XX.

ADDITIONAL PROVISIONS

- A. Payment to States: Defendants shall cause a payment to be made to the Office of the State of Tennessee Attorney General and Reporter in the amount of Ten thousand and 00/100 dollars (\$10,000.00). This amount designated for the State of Tennessee, representing attorneys' fees and costs of investigation, prosecution and monitoring for compliance of this matter may be used for consumer protection purposes at the sole discretion of the Attorney General. Such funds shall be paid in accordance with the Third Amended Joint Chapter 11 Plan ("Plan") with the United States Bankruptcy Court, Southern District of Florida, West Palm Beach Division ("Bankruptcy Court"), Case Nos. 00-35053-BKC-SHF through 00-35056-BKC-SHF.
- B. Providing prompt refunds: If Defendants state or claim that consumers may obtain a

refund upon request, such refunds must be sent or credited to the consumer's credit or debit card within 21 days of the request for a refund.

- C. Maintaining Adequate Telephone Lines: If Defendants engage in transactions in which a consumer must call a telephone number to avoid being billed for goods or services, Defendants shall contract with a reputable and experienced telemarketing service provider or take other reasonable steps to ensure that consumers can get through to an operator or automatic answering device that allows the consumer to effect the cancellation and avoid being billed or charged for the goods or services within a commercially reasonable time.
- D. Compliance with law: This Order shall not exempt Defendants from complying with all federal, state, or local laws, regulations, ordinances, or codes, specifically including the Tennessee Consumer Protection Act of 1977, § 47-18-101 *et seq.*

STIPULATED AND AGREED TO BY:

FOR THE STATE OF TENNESSEE:

PAUL G. SUMMERS
Attorney General & Reporter
B.P.R. No. 6285

JENNIFER L. RAWLS
Senior Counsel
B.P.R. No. 013929
Tennessee Attorney General's Office
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, Tennessee 37202
(615) 741-2614

Approved by:

DAVID A. MCCOLLUM, DIRECTOR
Division of Consumer Affairs
Department of Commerce and Insurance
500 James Robertson Parkway
5th Floor, Davy Crockett Tower
Nashville, TN 37243-0600
(615) 741-4737

STIPULATED AND AGREED TO BY:

DEFENDANTS:

IRA SMOLEV, individually

CHARLES I. WEISMAN
SHALOM JACOB
Swidler Berlin Shereff Friedman LLP
The Chrysler Building
405 Lexington Ave
New York, NY 10174
(212) 891 9466 (telephone)
(212) 891 9537 (facsimile)
sjacob@swidlaw.com (e-mail)
Attorneys for Defendant Ira Smolev

TRIAD DISCOUNT BUYING SERVICE, INC.,
MEMBER SERVICE OF AMERICA, L.L.C.,
ORCHID ASSOCIATES, L.L.C.,
PREMIER MEMBERSHIP SERVICES, L.L.C.,
INTER*ACT TRAVEL, INC.,
INTER*COMMUNICATIONS, INC.,
CONSUMER DATA DEPOT, L.L.C.,
EREVENUE PARTNERS, L.L.C.,
FAR SERVICES, L.L.C.,
LINDEN INVESTMENTS, L.L.C.,
PREMIER CLUB SERVICES, L.L.C.,
PREMIER MARKETING SERVICES OF AMERICA,
L..L.C.,
RESIDENTS RESOURCE NETWORK, L.L.C.,
REVENUE SOLUTIONS, L.L.C.,
SPANISH RIVER INVESTORS, L.L.C.,

THE BACKEND COMPANY OF AMERICA, INC.,
THE SHOPPERS EDGE, L.L.C.,
TRIAD MARKETING GROUP, INC, and
TRITELL OF NEVADA, L.L.C.

By:

IRA SMOLEV, CEO

LEWIS ROSE
CHRISTIE GRYMES
Collier Shannon Scott, PLLC
3050 K Street, NW, Suite 400
Washington, DC 20007-5108
202-342-8400 (telephone)
202-342-8451 (facsimile)
lrse@colliershannon.com (e-mail)
Attorney for Corporate Defendants

LYNSTROM INFORMATION SERVICE, L.L.C.,
Defendant

By:

Gary Burns, Managing Member

WILLIAM I. ROTHBARD
Law Firm of William I. Rothbard
1541 Ocean Avenue, Ste. 200
Santa Monica, CA 90401
310-393-7760 (telephone)
310-393-7753 (facsimile)
brothbard@earthlink.net (e-mail)
Attorney for Defendant Lynstrom Information
Service, L.L.C.

SO ORDERED, this _____ day of _____ 2001.

Honorable _____
Judge

APPENDIX A

[FTC settlement order]

APPENDIX B

IN THE CIRCUIT COURT OF DAVIDSON COUNTY, TENNESSEE
FOR THE TWENTIETH JUDICIAL DISTRICT AT NASHVILLE, TENNESSEE

STATE OF TENNESSEE,)	
)	
Plaintiff,)	
)	
v.)	
)	
Ira Smolev, individually, Triad Discount)	
Buying Service, Inc., Member Service of)	
America, L.L.C., Orchid Associates, L.L.C.,)	
Premier Membership Services, L.L.C.,)	No. _____
doing business as Best Price USA and))	
Discounts USA, Inter*Act Travel, Inc.,)	
Inter*Act Communications, Inc.,)	
Consumer Data Depot, L.L.C.,)	
Erevenue Partners, L.L.C., Far Services,)	
L.L.C., Linden Investments, L.L.C.,)	
Lynstrom Information Service, L.L.C.,)	
Premier Club Services, L.L.C., Premier)	
Marketing Services of America, L.L.C.,)	
Residents Resource Network, L.L.C.,))	
Revenue Solutions, L.L.C., Spanish)	
River Investors, L.L.C., The Backend))	
Company of America, Inc., The Shoppers)	
Edge, L.L.C., Triad Marketing Group, Inc,)	
and Tritell of Nevada, L.L.C.)	
)	
Defendants.)	

AFFIDAVIT OF IRA SMOLEV

I, Ira Smolev, being duly sworn, hereby state and affirm as follows:

1. My name is Ira Smolev. My current residence address is _____. I am a citizen of the United States and am over the age of eighteen. I have personal knowledge of the facts set forth in this Affidavit.

2. I am a defendant, and President and/or CEO of the named corporate defendants, in *State of Tennessee v. Ira Smolev, individually, Triad Discount Buying Service, Inc., Member Service of America, L.L.C., Orchid Associates, L.L.C., Premier Membership Services, L.L.C., doing business as Best Price USA and Discounts USA, Inter*Act Travel, Inc., Inter*Act Communications, Inc., Consumer Data Depot, L.L.C., Erevenue Partners, L.L.C., Far Services, L.L.C., Linden Investments, L.L.C., Lynstrom Information Service, L.L.C., Premier Club Services, L.L.C., Premier Marketing Services of America, L.L.C., Residents Resource Network, L.L.C., Revenue Solutions, L.L.C., Spanish River Investors, L.L.C., The Backend Company of America, Inc., The Shoppers Edge, L.L.C., Triad Marketing Group, Inc, and Tritell of Nevada, L.L.C.*

3. On _____, _____, I received a copy of the Stipulated Final Judgment and Order

for Permanent Injunction and Monetary Settlement of, which was signed by the Honorable _____ and entered by the Court on _____. A true and correct copy of the Order I received is appended to this Affidavit.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed on _____, _____, at _____.

IRA SMOLEV

State of _____, City of _____

Subscribed and sworn to before me this _____ day of _____, _____.

Notary Public

My Commission Expires:

APPENDIX C

SUMMARY OF COURT ORDER ENTERED IN *State of Tennessee v. Ira Smolev, individually, Triad Discount Buying Service, Inc., Member Service of America, L.L.C., Orchid Associates, L.L.C., Premier Membership Services, L.L.C., doing business as Best Price USA and Discounts USA, Inter*Act Travel, Inc., Inter*Act Communications, Inc., Consumer Data Depot, L.L.C., Erevenue Partners, L.L.C., Far Services, L.L.C., Linden Investments, L.L.C., Lynstrom Information Service, L.L.C., Premier Club Services, L.L.C., Premier Marketing Services of America, L.L.C., Residents Resource Network, L.L.C., Revenue Solutions, L.L.C., Spanish River Investors, L.L.C., The Backend Company of America, Inc., The Shoppers Edge, L.L.C., Triad Marketing Group, Inc, and Tritell of Nevada, L.L.C.*
ON OCTOBER , 2001

DEFINITIONS

1. "Defendants" means, unless otherwise specified, Triad Discount Buying Service, Inc., Member Service of America, L.L.C., Orchid Associates, L.L.C., Premier Membership Services, L.L.C., Inter*Act Travel, Inc., Inter*Act Communications, Inc., Consumer Data Depot, L.L.C., Erevenue Partners, L.L.C., Far Services, L.L.C., Linden Investments, L.L.C., Lynstrom Information Service, L.L.C., Premier Club Services, L.L.C., Premier Marketing Services of America, L.L.C., Residents Resource Network, L.L.C., Revenue Solutions, L.L.C., Spanish River Investors, L.L.C., The Backend Company of America, Inc., The Shoppers Edge, L.L.C., Triad Marketing Group, Inc, and Tritell of Nevada, L.L.C., and their successors and assigns, and Ira Smolev. The persons or entities identified in this paragraph are within the definition of "Defendants" whether or not they are actually named as defendants in the complaint [or petition] herein. "Defendants" as used in this document does not include other persons or entities who have been named as defendants in the complaint [or petition] herein

who are not listed in this paragraph.

2. "Corporate Defendants" means all Defendants, except Defendant Ira Smolev.
3. "Debtor Defendants" means Triad Discount Buying Service, Inc., Member Service of America, L.L.C., Orchid Associates, L.L.C., and Premier Membership Services, L.L.C., and their successors and assigns.
4. "Nondebtor Corporate Defendants" means all Corporate Defendants, except Debtor Defendants.
5. "Assisting others" means knowingly providing any of the following services to any person or entity: (a) performing customer service functions for any person or entity, including, but not limited to, receiving or responding to consumer complaints; (b) formulating or providing, or arranging for the formulation or provision of, any telephone sales script or any other marketing material for any person or entity; (c) performing marketing services of any kind for any person or entity, or (d) providing credit card merchant processing accounts, or otherwise providing access to a billing and collection system, such as a credit card, checking, savings, share or similar account, utility bill, telephone bill, mortgage loan account or debit card.
6. "Billing information" means any data that describes, constitutes or provides access to a billing and collection system, such as a credit card, checking, savings, share or similar account, utility bill, telephone bill, mortgage loan account or debit card.
7. "Charge" means any amount charged or debited to a consumer's credit card, checking, savings, share or similar account, utility bill, telephone bill, mortgage loan account or debit card, or any similar form of collecting money from a consumer.
8. With respect to advertisements and promotional and marketing materials, "clear(ly) and

conspicuous(ly)" means:

- a. In an advertisement communicated through an electronic medium (such as television, video, radio, and interactive electronic media such as software, the Internet and online services), the disclosure must be presented simultaneously in both the audio and visual portions of the advertisement; provided, however, that in any advertisement presented solely through visual or audio means, the disclosure may be made through the same means in which the advertisement is presented; provided further, that in any advertisement disseminated by means of an interactive electronic medium such as software, the Internet, or online services, a disclosure made through the use of a hyperlink will not be deemed "clear and conspicuous" unless the hyperlink itself is clear and conspicuous, is clearly identified as a hyperlink, is labeled to convey the nature and relevance of the information it leads to, is on the same Web page, online service page, or other electronic page and proximate to the triggering representation, and takes the consumer directly to the disclosure on the click-through electronic page or other display window or panel. The audio disclosure must be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it. The visual disclosure must be of a size and shade, and shall appear on the screen for a duration, sufficient for an ordinary consumer to read and comprehend it; and
- b. In a print advertisement or any print promotional or marketing material, the disclosure shall be in a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend it, and in print that contrasts with the background against which it appears.

The disclosure must be in understandable language and syntax. Nothing contrary to, inconsistent with, or in mitigation of the disclosure shall be used in any advertisement, promotional or marketing material.

9. "Membership service" means any arrangement whereby persons who purportedly agree to the arrangement (often called "members") receive specified benefits over a period of time, including but not limited to, travel benefits, health benefits, home protection, credit card protection, legal services and discounts on goods and services.
10. An offer or agreement with a "negative option" feature means an offer or agreement to sell or provide any goods or services under which (a) a consumer must take an affirmative action to reject goods or services or cancel the agreement, and (b) the consumer's silence or failure to reject goods or services or to cancel the agreement is interpreted by the seller or provider as acceptance or continuing acceptance of the goods or services. Agreements with negative option features include, but are not limited to, agreements in which the consumer, subsequent to agreeing to the offer, will automatically be billed or charged at the end of a trial period (whether or not there is a fee for the trial period) unless the consumer cancels, and continuity plans in which, subsequent to the consumer's agreement to the plan, the seller or provider automatically ships goods or services to a consumer unless the consumer notifies the seller or provider within a certain time not to ship the goods or services.
11. A "partner" of Defendants means any third party that contracts with any of the Defendants to provide telemarketing or other marketing services in connection with any transaction wherein any of the Defendants provide, offer to provide or arrange for others to provide goods or services to consumers in exchange for consideration.

12. "Renewal" means an extension beyond the original term of a membership, subscription or agreement for goods or services that are offered on a periodic basis.
13. The "Synchronal Order" means the Federal Trade Commission's Order issued in *Synchronal Corp.*, 116 F.T.C. 989, 1033 (1993).
14. "Telemarketing" means any business activity (which includes, but is not limited to, initiating or receiving telephone calls, managing others who initiate or receive telephone calls, operating an enterprise that initiates or receives telephone calls, owning an enterprise that initiates or receives telephone calls, or otherwise participating as an officer, director, employee or independent contractor in an enterprise that initiates or receives telephone calls) that involves attempts to induce consumers to purchase any item, good, service, partnership interest, trust interest or other beneficial interest, or to enter a contest for a prize, by means of telephone sales presentations, either exclusively or in conjunction with the use of other forms of marketing; provided that the term "telemarketing" does not include transactions that are not completed until after a face-to-face contact between the seller or solicitor and the consumers solicited; provided further, that for the purposes of Part III of this Order, the definition of telemarketing will be consistent with 16 C.F.R. § 310.2.
15. "Third party" means (a) any entity that is not owned or controlled by Defendants, and (b) any person who is not acting in his or her capacity as an officer or employee of Defendants or any entity owned or controlled by Defendants.

NOTE: Each of the following provisions of the Court's Order applies to Defendants, and their officers, agents, employees, and attorneys, and all those persons or entities in active concert or participation with them who receive actual notice of the Court's Order by personal service or otherwise, whether acting

directly or through any entity, corporation, subsidiary, division, or other device. The effective date of the Court's Order is the date the Order was entered by the Court.

**PERMANENT INJUNCTION
PART II OF THE ORDER**

Defendants, and their officers, agents, employees, and attorneys, and all those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, or other device, are hereby permanently restrained and enjoined from making, or causing or assisting others to make, expressly or by implication, any false or misleading representation in connection with the advertising, promoting, marketing, offering for sale, sale, or distribution of any goods or services in or affecting commerce, including but not limited to:

- A. Falsely representing, through, *inter alia*, mailings, email, billings, video or television, credit card charges and checking account debits, that a consumer purchased or agreed to purchase goods or services, or that a transaction has been authorized by a consumer;
- B. Falsely representing (1) the amount that a consumer will be charged or billed for any goods or services, (2) that a consumer will not be charged or billed for any goods or services, (3) the timing or manner of any charge or bill, or (4) that a consumer will not be charged or billed without the consumer's authorization;
- C. Making any representation that a consumer will receive a trial membership, or that any information kit, good or service is offered "free," "risk-free," with "no obligation," or words of similar import denoting or implying the absence of any obligation on the part of the recipient of

such offer to pay for the information kit, good or service or to take affirmative action to avoid incurring payment obligations, without disclosing clearly and conspicuously, and in close proximity to such representation, prior to requesting the consumer's authorization to be charged or billed for the offered trial membership, information kit, good or service, or any other goods or services:

1. Any obligation of the consumer associated with accepting the offered trial membership, information kit, good or service (including, but not limited to, payment of shipping and handling fees, the obligation to purchase other goods or services, the obligation to accept a trial membership or trial period, and the obligation to cancel or take other affirmative action to avoid incurring payment obligations and the manner in which such a cancellation request may be submitted);
 2. The amount and number of payments (if more than one) that will or may be required, and the circumstances under which additional payments may be required; and
 3. All conditions, limitations and restrictions on the ability of the consumer to use the offered trial membership, information kit, good or service; and
- D. Making any representation that a consumer who accepts an offer for goods or services will receive an additional good or service for "free" or with "no obligation," or as discounted or reduced in price, or words of similar import, without disclosing clearly and conspicuously, and in close proximity to such representation, prior to requesting the consumer's authorization to be charged or billed for the goods or services with which the purportedly free or discounted good or service is offered, all conditions, limitations and restrictions on the ability of the consumer to use any such purportedly free or discounted good or service.

**VIOLATIONS OF TELEMARKETING SALES RULE
PART III OF THE ORDER**

Defendant are hereby permanently restrained and enjoined from violating any provision of the Telemarketing Sales Rule, 16 C.F.R. Part 310, as in effect now or as it may be amended.

**PROHIBITED FAILURES TO DISCLOSE
PART IV OF THE ORDER**

Defendants are hereby permanently restrained and enjoined from failing to disclose, clearly and conspicuously, before obtaining the consumer's express authorization to bill or charge the consumer for any such goods or services, all material terms and conditions for the purchase of any such goods or services, including but not limited to:

- A. That a purpose of the solicitation is to sell goods or services;
- B. The fact, if true, that a good or service is offered on behalf of a seller that is a separate entity from the seller doing the telemarketing, and, if so, the name of the separate seller and the entity to which payment will be made;
- C. The number of payments (if more than one), the date(s) or time period(s) at which the payment(s) will be required or charged, the amount of the payment(s), and the total cost;
- D. The fact, if true, that the billing information the seller already possesses, either because the consumer previously provided it to the seller, or the seller obtained it from another source, will be used to bill or charge the consumer;
- E. The terms of the seller's refund, cancellation, exchange, or repurchase policies;
- F. If the consumer will be automatically billed at the end of a trial period unless the consumer

cancels: this fact; the length of the trial period; the manner in which a cancellation request may be submitted; the date or time period by which a cancellation request must be received; and either a telephone number or address to which a cancellation request may be directed or the fact, if true, that such information will be included in written materials provided to the consumer within a reasonable period prior to the date by which a cancellation request must be received;

- G. If the seller automatically ships goods to a consumer or automatically renews a membership, subscription or agreement for goods or services that is offered on a periodic basis, unless the consumer notifies the seller within a certain time not to ship or renew: this fact; the manner in which a notice not to ship or renew may be submitted; the date or time period by which a notice not to ship or renew must be received to avoid shipment or renewal; and either a telephone number or address to which a cancellation request may be directed or the fact that such information will be included in written materials provided to the consumer within a reasonable period prior to the date by which a cancellation request must be received (and Defendants will include in such written materials the telephone number or address to which cancellation requests may be directed, as well as the applicable refund and cancellation policies);

provided that, if Defendants obtain a consumer's billing information to purchase any goods or services and then further solicit the purchase of other goods or services, Defendants must affirmatively disclose all material terms and conditions for the purchase of each additional good or service, including but not limited to those set forth in this Part, before obtaining the consumer's express authorization to bill or charge the consumer for such additional good or service; and provided further, that, in connection with the advertising, promoting, marketing, offering for sale, sale, or distribution of any goods or services pursuant to an offer or agreement with a negative

option feature, Defendants, prior to billing or charging the consumer for such goods or services, must provide the consumer with a document disclosing, clearly and conspicuously, all material terms and conditions of the sale, including but not limited to those set forth in this Part.

EXPRESS VERIFIABLE AUTHORIZATION FOR SALES PART V OF THE ORDER

Defendants are hereby permanently restrained and enjoined from submitting billing information for payment, transferring billing information to a third party, or collecting or attempting to collect payment for goods or services, directly or indirectly, without the consumer's express verifiable authorization as follows:

A. Such express verifiable authorization must clearly evidence the consumer's name, the consumer's express authorization to purchase the goods or services and of the amount and manner of the billing or payment for such goods and service, and the date of the consumer's express authorization, and that all of the following

information has been disclosed to the consumer, clearly and conspicuously, and in ~~de~~

proximity to, the consumer's express authorization:

1. The amount and manner of the billing or payment for such goods or services, including but not limited to, the disclosures set forth in Subparts C and D of Part IV of this Order, prior to the consumer's express authorization (*e.g.*, during the express automated electronic authorization referenced in Subpart B.4 of this Part, such disclosures must be made prior to the time the consumer inputs the personal identification number);

2. All of the disclosures set forth in Subparts A, B, E, F and G of Part IV of this

Order, prior to the consumer's express authorization, provided, however,

for purposes of this Subpart, the express verifiable authorization may evidence, if true, that such disclosures have previously been disclosed to the consumer, clearly and conspicuously, in a print advertisement or print promotional or marketing material;

3. To the extent not already disclosed pursuant to Subpart A.1 of this Part, the consumer's specific billing information, including the name of the account and the account number, that will be used to collect payment for the goods or services that are the subject of the sales offer; and

4. A telephone number for consumer inquiry that is answered during normal business hours;

5. If defendants are seeking authorization to charge a credit or debit card and the defendants have the credit or debit card number at the time they are requesting the authorization, defendants must use the following language or substantially similar language:

[After initial introduction] "You have provided us with a credit card to pay for the [what it was provided to pay for]. We also will charge the \$_____ annual fee [or other applicable amount, including all shipping and handling or other fees, unless the dollar amount of such fees is separately authorized in the same conversation as in paragraph 1 above] for the [product or service or club membership] to that credit card if you do not call to cancel the service within ____ days of

____ [when the day count begins]. Is it OK for me to put that charge on your card unless you cancel?

This Subpart V.A.5 does not apply to Renewals as referenced in Part VIII.

B. For the sale of any goods or services by means of telemarketing, the consumer's express authorization will be deemed verifiable only if one of the following means is employed:

1. Express written authorization by the consumer, which includes the consumer's signature (the term "signature" includes a verifiable electronic or digital form of signature, to the extent such form of signature is recognized as a valid signature under applicable federal law or state contract law);

2. Express oral authorization that is verified by an independent third party verifier ("TPV") that meets the requirements of Part VI of this Order;

3. Express oral authorization that is tape recorded, and meets the following criteria:

- a. For telemarketing conducted by Defendants and any entities owned or controlled, in whole or in part, directly or indirectly, or managed, by Defendants, and their officers, agents, and employees, the tape recording must include the entire telephone call during which the consumer gave oral authorization;

- b. For telemarketing conducted by Defendants' partners, the tape

recording must include the entire portion of the telephone call that relates to the goods and services that are the subject of Defendants' offer and during which the consumer gave oral authorization; and

c. A copy of the tape recording is provided upon request to the consumer, the consumer's bank, credit card company or other billing entity, state attorney general or consumer protection agency or the Federal Trade Commission; and

4. Express automated electronic authorization in which the consumer provides authorization by calling a toll-free telephone number used exclusively for authorizations and by inputting a personal identification number that has been mailed to the consumer at the consumer's home address.

**LIMITATION ON DISSEMINATING OR OBTAINING
CONSUMER'S INFORMATION
PART VII OF THE ORDER**

Defendants are permanently restrained and enjoined from:

A. Providing or disclosing to any third party, whether or not in exchange for payment or other consideration, any of the following information relating to a consumer:

1. Billing information;
2. Unique identifying information, such as social security number, date of birth, place of birth and mother's maiden name;
3. Credit information;
4. Income information; and

5. Asset and liability information;

provided, however, that this Subpart A will not apply to the disclosure by Defendants, or any entity managed or controlled in whole or in part, directly or indirectly, by Defendants, of consumer information: (1) necessary to effectuate or administer a transaction for which Defendants have obtained the consumer's express verifiable authorization; (2) pursuant to Section 623 of the Fair Credit Reporting Act ("FCRA"), 15 U.S.C. § 1681s-2, to a "consumer reporting agency" as defined by Section 603(f) of the FCRA, 15 U.S.C. § 1681a(f); or (3) to a law enforcement agency either voluntarily, or as required by any law, regulation, or court order; and

B. Entering into any agreement or arrangement pursuant to which any third party provides or discloses to Defendants, whether or not in exchange for payment or other consideration, any of the following information relating to a consumer:

1. Billing information;
2. Unique identifying information, such as social security number, date of birth, place of birth and mother's maiden name;
3. Credit information;
4. Income information; and
5. Asset and liability information;

unless Defendants have taken steps adequate to ensure that: (1) such third party has clearly and conspicuously disclosed to such consumer what information the third party proposes to provide or disclose, the intended use of the information, and that the third party proposes to

provide or disclose the information to Defendants; and (2) the consumer has expressly authorized the third party to provide or disclose such information to Defendants; provided, however, that this Subpart B will not apply to any agreement or arrangement pursuant to which a bona fide "consumer report" is provided by a "consumer reporting agency" (as those terms are defined in Sections 603(d) and 603(f) the FCRA, 15 U.S.C. §§ 1681a(d) and (f), respectively) to Defendants pursuant to the permissible purposes requirements of Section 604 of the FCRA, 15 U.S.C. § 1681b.

**PROHIBITION ON RENEWALS OF CURRENT OR PAST MEMBERSHIPS
AND CONDITIONS ON RENEWALS OF FUTURE MEMBERSHIPS
PART VIII OF THE ORDER**

Defendants are hereby permanently restrained and enjoined from causing any charges to be made or any payments to be billed to a consumer, or causing collection of, or attempts to collect, payment, directly or indirectly, from a consumer, for any renewal of any membership services offered or provided to consumers by any of Defendants or by any entity owned or controlled directly or indirectly by Defendant Ira Smolev, where the consumer's purported authorization of the membership occurred prior to the effective date of this Order, without first obtaining from the consumer, within sixty (60) days prior to the date on which the consumer is charged or billed for such renewal, express verifiable authorization of such renewal that complies with the requirements of Part V of this Order.

In addition, even if there is express verifiable authorization for automatic renewals, in the case of renewal periods that are one year or longer, Defendants shall not impose a charge on the credit or debit card of a consumer for a membership renewal without a notice to the consumer of the automatic renewal in one of the following manners: Between 45 and 75 days prior to the date on which Defendants intend to renew

a consumer, Defendants shall send to such consumer either (i) renewal membership enrollment materials which shall include a letter ("Renewal Letter"), or (ii) a 5 inch by 8 inch postcard. The Renewal Letter or postcard shall be sent by a delivery mechanism that includes address forwarding. The front of the postcard or of the envelope containing the Renewal Letter shall contain only the names of Defendant(s), the name of the club or service or product, a return address, the name and address of the consumer, and the following statement in 14 point bold capital letters: "NOTICE OF CHARGE FOR MEMBERSHIP RENEWAL." Above the consumer's name, Defendants shall print the following statement in at least 12 point, bold and capital type: "RESPOND BEFORE [00/00/00]," with a date on or within 30 days before the date of automatic renewal inserted in this phrase. The reverse side of the card or the top of the first written portion of the first page of the Renewal Letter shall be entitled, in at least 12 point bold, capital letters: "CREDIT/DEBIT CARD CHARGE FOR MEMBERSHIP RENEWAL." The entire right half of the reverse side of the card or the bottom half and any subsequent pages of the Renewal Letter are available to Defendants, except that Defendants shall not make any direct or implied representation that is likely to deceive or confuse consumers as to the terms of automatic renewal. The entire left half of the reverse side of the card or the top half of the first page of the Renewal Letter shall appear as follows:

If You Take No Action, Your Credit Card Will Be Charged To Renew Your [Name of Company] Membership You have the following choices as to renewal of your [name of membership club program or service]:

1. Renew Your Membership. Do nothing and your membership will be automatically renewed for one year [or other period if applicable] and \$_____ will be charged to your credit card.
2. Non-renewal of Your Membership. In order to not renew your membership, and to avoid a credit card charge of \$_____, you must call [Name of company] at [toll free number] before the date on the front of this card [OR on the envelope containing this letter].

Defendants further agree to honor any request made by a consumer to cancel or reverse any

membership renewal within 30 days of the consumer receiving a bill for the renewal.

RECORD-KEEPING PROVISIONS
PART XIV OF THE ORDER

For a period of ten (10) years from the date of entry of this Order, Defendants, and their officers, agents, employees, and attorneys, and all those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, or other device, in connection with any of the businesses entities described below, are hereby restrained and enjoined from failing to create, and from failing to retain for a period of three (3) years following the date of such creation, unless otherwise specified:

- A. Books, records and accounts that, in reasonable detail, accurately and fairly reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues by such business;
- B. Each tape recording of a telemarketing call made pursuant to Part V of the Order;
- C. Records that accurately reflect the name, address, and telephone number of each person employed or retained in any capacity by such business, whether such person is designated as an employee, consultant, independent contractor or otherwise; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable;
- D. Records that accurately reflect the names, addresses, phone numbers, dollar amounts paid, quantity of goods or services purchased, and description of goods or services purchased, for all consumers to whom such business has sold, invoiced,

billed, or shipped any goods or services;

E. For every consumer complaint or refund request, whether received directly or indirectly or through any third party, records that accurately reflect:

1. The consumer's name, address, telephone number and the dollar amount paid by the consumer;
2. The written complaint or refund request, if any, and the date of the complaint or refund request;
3. A tape recording of each complaint received by telephone;
4. The basis of the complaint, including the name of any salesperson complained against, and the nature and result of any investigation conducted concerning any complaint;
5. Each response and the date of the response;
6. Any final resolution and the date of the resolution; and
7. In the event of a denial of a refund request, the reason for the denial;

F. Copies of all sales scripts, training materials, advertisements, or other marketing materials utilized, and records that accurately reflect the time periods during which such materials were used and the persons and business entities that used such materials; provided that these marketing materials and records must be retained for three (3) years after the last date of dissemination of any such marketing materials;

G. For each of Defendants' credit card merchant processing accounts:

1. A copy of the contract providing the account;

2. Records that accurately reflect the name, address and telephone number of the acquirer bank, and its credit card processor(s),

3. Copies of correspondence from VISA, MasterCard, any similar entity, and any acquirer bank or credit card processor describing a finding by such entities that any of the Defendants have incurred excessive chargebacks on such account, or that any of the Defendants have engaged in any other fraud, abuse or questionable activity with respect to such account;

H. Copies of any contracts providing any of the Defendants with access to a billing and collection system, such as a credit card, checking, savings, share or similar account, utility bill, telephone bill, mortgage loan account or debit card;

I. For each of Defendants' partners:

1. A copy of the contract and any amendments thereto between such partner and any of the Defendants;

2. Records that accurately reflect the name, address and telephone number of such partner;

3. Records that accurately reflect all payments made to such partner by any of the Defendants, all payments made to any of the Defendants by such partner, the reasons for such payments, and how such payments were calculated; and

4. Copies of any correspondence with Defendants' partners or any person or entity that relate to complaints from consumers, government entities or any parties about the sales, billing or collection practices or any questionable

activities of Defendants' partners.

APPENDIX D

DEFENDANTS' INFORMATION LIST

Ira Smolev, Individually

Address:

Consumer Data Depot, L.L.C.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL

Erevenue Partners, L.L.C.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL

FAR Services, L.L.C.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL

Inter*Act Communications, Inc.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL

Inter*Act Travel, Inc.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL

Linden Investments, L.L.C.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL

Lynstrom Information Service, L.L.C.

Address: 2751 Centerville Road, Suite 3809, Wilmington, DE 19808

Member Service of America, L.L.C.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL

Orchid Associates, L.L.C.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL

Premier Club Services, L.L.C.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL

Premier Marketing Services of America, L.L.C.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL

Premier Membership Services, L.L.C.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL

Residents Resource Network, L.L.C.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL

Revenue Solutions, L.L.C.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL

Spanish River Investors, L.L.C.

Principal Place of Business: 2494 South Ocean Blvd., A3, Boca Raton, FL

The Backend Company of America, Inc.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL

The Shoppers Edge, L.L.C.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL

Triad Discount Buying Service, Inc.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL

Triad Marketing Group, Inc.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL

Tritell of Nevada, L.L.C.

Principal Place of Business: 350 Camino Gardens Blvd., Suite 200, Boca Raton, FL